THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA) : (a) No, Sir.

(b) Does not arise.

(c) and (d) In 1997-98,134 out of the 235 PSUs made profits totalling Rs. 20,279 crores. In 1998-99 the number of profit-making PSUs was 127 and their combined profits were Rs. 22,509 crores. Thus, the profit earned by the profit-making PSUs in 1998-99 increased by Rs. 2230 crores. However, overall with reference to all the 235 PSUs, the total net profits earned in 1998-99 declined by Rs. 485 crores as compared to the profits earned during 1997-98. The factors which led to overall decline in the profitability include contraction in demand, fall in output, decline in prices, etc.

Application of outdated technology

4466. SHRI ANANTRAY DEV SHANKAR DAVE : Will the Minister 'of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state :

(a) whether it is a fact that application of outdated technology is the main cause for the higher cost of production;

(b) whether funds provided to the Corporate Sector for modernization remain unutilized;

(c) the State-wise details of funds allotted during the last four years, amount that was utilized, diverted and remain unutilized, and

(d) the steps being taken to ensure that the funds are fully utilized only on modernization in order to contain the cost of production.

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA) : (a) to (d) It is presumed that the Hon'ble Member refers to the Indian Corporate Sector of Heavy Industry in general. Among the causes for higher cost of production are lack of economies of scale, outdated technology, sub-optimal productivity, lack of competition etc. The corporate sector is expected to avail of resources from banks and financial institutions and its internal accruals for its modernization on a countrywide basis. Financing institutions and banks do not earmark funds state-wise for modernization but consider proposals from individual units on merit. It is for the banks and financing institutions to verify the utilization of funds for the intent purpose in accordance with their procedures.